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C O N F I D E N T I A L SECTION 01 OF 03 JERUSALEM 003703

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR GREENE/LOGERFO/WATERS; NSC FOR ABRAMS/MUSTAFA; TREASURY FOR NUGENT

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TAGS: ECON PREL PGOV PHUM KWBG IS GAZA DISENGAGEMENT
SUBJECT: DISENGAGEMENT COORDINATION UPDATE, AUGUST 12, 2005

Classified By: Consul General Jake Walles for reasons 1.4 (b) and (d).

This is a joint cable from Consulate General Jerusalem and Embassy Tel Aviv.

11. (C) Summary: On the eve of disengagement, several key coordination issues are much closer to being resolved than a week ago. Representatives of settler farmers and anonymous private donors agreed early August 12 on a contract to sell the greenhouses and other infrastructure for just under USD 14 million. The GOI and PA are close to reaching an agreement on how to dispose of the settlement housing rubble, though still need formal Egyptian concurrence. The UN Office for the Coordination of Humanitarian Assistance (OCHA) and the IDF are also near to agreeing on a common map of checkpoints, roadblocks, and physical obstacles in the West Bank which will then be used for trilateral discussions on how to improve movement within the West Bank. The bilateral technical crossing teams continue to meet to discuss management fixes at the Karni terminal and possible technological upgrades using the USD 50 million from the USG. Bilateral technical water talks are also progressing since the August 9 GOI handover of more detailed inventory information. End summary.

12. (C) Passages and Trade:

- -- The GOI and PA technical teams met August 11 to discuss management fixes at Karni terminal and possible technological upgrades using the USD 50 million. The Israeli team committed to increasing operating hours, opening additional lanes, employing all six pallet scanners, and building cold-storage facilities on the Israeli side of the terminal.
- -- Yoni Doton, Israel Airports Authority manager of Karni terminal, left the meeting early after an argument with other members of the GOI team. Doton protested his colleagues, implication that delays at the passage were due to personnel inefficiencies.
- -- On capacity at Karni terminal, the PA team said it expects 300 trucks/day by September 1 and 500 trucks/day by December 1. It cited September 2006 as the PA,s target date for the changeover from a back-to-back to a door-to-door shipping system. (Note: While there is agreement, in principle, the GOI has not yet agreed on how to implement a door-to-door system. End note.)
- -- GOI Defense Ministry advisor Netzach Mashiach will meet with USAID and Emboffs August 15 to discuss GOI proposals for how to spend the USD 50 million.

13. (C) WB/Gaza Link:

-- A trilateral meeting will be held under the auspices of Brig. Gen. Baruch Speigel August 15 to discuss the details of the convoy system.

14. (C) Movement in the West Bank:

- -- UN Office for the Coordination of Humanitarian Assistance (OCHA) head David Shearer told Congen EconChief August 12 that OCHA and the IDF's numbers on checkpoints, roadblocks, and physical obstacles in the West Bank were converging with OCHA now counting 384 as compared to the IDF's 320. Shearer said OCHA's numbers have come down because many obstacles have been removed or the IDF is not replacing earthmounds as they naturally wear down. Manned checkpoints, however, have not decreased, and new ones have been added to the list in Hebron.
- -- Shearer said that the IDF's list of obstacles increased from 120 in June to the current 320 after it entirely updated its list. This week, for the first time, the IDF gave OCHA a complete data file of the coordinates for each of their 320 checkpoints, roadblocks, and physical obstacles. OCHA has now mapped its coordinates over the IDF ones. The differences, Shearer said, for example, are mostly where OCHA counts four barriers on a road while the IDF only counts three. Shearer described the IDF's newfound willingness to work with OCHA as a "leap forward" which he largely attributed to pressure from QSE Wolfensohn and the USG.

-- Shearer said that after OCHA and the IDF agree on a common map, likely at a planned August 17 meeting, OCHA will share the map with the PA (which already uses and refers to OCHA's maps as its own point of reference) and then the parties will begin discussing how to improve movement in the West Bank.

15. (C) Air/Seaport/Rafah:

-- According to PA sources, the PA understands that the GOI believes it can have the necessary infrastructure for cargo and passengers in place at the Kerem Shalom tri-border crossing within 90 days of an agreement to use Kerem Shalom. The PA also understands that the GOI is willing to re-evaluate how it handles the crossing after six months. PA interlocutors, however, do not believe the GOI would be open to reconsidering the issue after six months. (Note: The PA has not yet agreed to move the Rafah crossing to Kerem Shalom. End Note.)

16. (C) Settlement Housing:

- -- According to a PA readout of the August 9 trilateral meeting, PA Civil Affairs Minister Dahlan told GOI Defense Minister Mofaz and QSE Wolfensohn that he had spoken informally with Egyptian General Intelligence Services Director Omar Soliman who said the Egyptian government agreed, in principle, to disposing of the nonreusable settlement housing rubble in Egypt: (1) if Israel disposed of 20 percent of the rubble in Israel; (2) if Egyptian specialists could have access to the rubble (or what would become the rubble) as soon as possible; and (3) if the agreement was completed on a business-to-business basis. Dahlan also proposed trucking sand back into Gaza from the Sinai.
- -- According to that same PA readout of the August 9 trilateral, Minister Mofaz said: (1) he would coordinate the movement of two or three Egyptian specialists; (2) Israel would accept that 20 percent of the rubble should be disposed of in Israel; and (3) trucks would not be searched when they left Gaza going to Egypt but they would be searched upon their return back into Gaza.
- -- QSE team members report they are discussing a trilateral statement of understanding on the arrangement. There are two remaining issues still to be worked out on the statement. One issue involves language referring to Israel's commitments under international law and the other involves whether to refer to Egypt, specifically, as a site for disposal of the unusable rubble. Both sides report that there will likely be another meetings to finalize details of the arrangement next week.
- -- Israeli Defense Ministry contacts told the Ambassador August 12 that demolition of settler homes will be "heavy" as opposed to &light,8 which they said is also the PA preference. The decision was based on the GOI,s concern for risk to contractors, and its belief that little usable rubble will remain even with light demolition. The GOI has reported that there is no asbestos in the houses, but only in some public buildings, which will not be demolished.
- -- At the August 9 trilateral meeting, the PA team received from the GOI an inventory of the public buildings that would be left intact in the settlements, including educational, municipal, and service utility structures.

17. (C) Greenhouses:

- -- Early August 2, the representatives of the settler farmers and the anonymous donors signed the contract selling the greenhouses, associated equipment, and most of the packing houses for a little less than USD 14 million. The exact amount of the final transaction will depend on the final decisions of the assessor on the state and quality of the greenhouses. As stated in the contract, the title to the assets change hands on the day the IDF leaves Gaza. The Israeli NGO Economic Cooperation Foundation will own the assets for a brief period before it abandons them to the Palestine Economic Development Company (PEDC), who will assume ownership and manage the farms. (Note: The PEDC is fully owned by the Palestine Investment Fund (PIF). End note.)
- -- The QSE team is working to ensure that the IDF allows the assessors in for one last inspection just before the IDF pulls out and that the Palestinian workers who have been working the farms are allowed to access the farms as the IDF leaves.
- -- The QSE team and USAID's Palestinian Agribusiness Partnership Activity (PAPA) will work with the PEDC to provide the necessary technical assistance to properly manage the farms.

¶8. (C) Humanitarian issues:

- -- COGAT briefed donor representatives August 12 at the Erez DCL on IDF planning for facilitation of humanitarian assistance to Gaza during disengagement. Maj. Uri Singer said that the Erez and Karni terminals will continue to operate but will be subject to closure without notification. Internal checkpoints, including Abu Kholi, Mawassi, and the Eli Sinai area, will be closed to non-evacuees for three days at the start of withdrawal. Abu Kholi will be open thereafter between the hours of 2230 and 0530.
- -- With prior COGAT coordination, the donor community will be able to move during the hours of darkness and in the early mornings. Maj. Singer will provide donors with an IDF contact list by August 14 or 15.

19. (C) Other issues:

- -- Israeli and Palestinian water officials held a technical committee meeting August 9. PA officials confirmed to ConGenoff that the GOI passed further inventory information to the PA team during this meeting. The sides will meet again next week. Mekorot, the Israeli water company, is training eight Palestinian engineers so that they can operate the wells in the current settlement areas in Gaza. Israel is leaving in place a pipeline from Kissufim to Gush Katif serving the settlements, along with 20 pumping stations, in case the Palestinians want to buy the 4.9 million cubic meters (MCM) of water Mekorot has been selling to the settlers from the Israeli grid.
- -- Palestinian Water Authority Chief Fadel Ka'wash told USAIDoff AuguQ11 that the PA cabinet will approve August 15 the memorandum of understanding for the USAID-funded Gaza Emergency Connector, which will supply five MCM of water to the East Gaza City area. A COGAT infrastructure official told ESTH Officer that Israel is proceeding with its part of the connector between Nahal Oz and the border with Gaza and will be done with its section by December. WALLES